



## Free enterprise benefits society

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This fall, the University of Louisville opened the Center for Free Enterprise at its School of Business. This initiative, which I help fund, offers students and professors the opportunity “to engage in research and teaching that explores the role of free enterprise and entrepreneurship in advancing the well-being of society.”

This is a mission I deeply believe in. Free enterprise is the greatest mechanism mankind has ever created to eliminate poverty, enhance prosperity, and enable the “pursuit of happiness” spoken of in the Declaration of Independence. The students who participate in this new center, as well as the professors who teach them and conduct research, will thus be contributing to a better world.

I have seen the power of free enterprise firsthand. In 1984, in my early 20s, I took a risk and began my own entrepreneurial experiment. After saving my dad’s bar in Jeffersonville, Indiana, from bankruptcy, I took a sledge hammer to open up a broom closet, where I installed \$1,600 worth of used pizza-making equipment. Within a year, I had built enough credit to open my own stand-alone pizza store.

Today, three decades after making my first pizza in that broom closet, Papa John’s International, Inc. is one of the largest pizza companies in the world. As of this month, we operated nearly 4,800 stores in 38 countries and territories, with nearly 90,000 employees at franchise stores and 20,000 employees at Papa John’s corporate stores, and had global system-wide sales of \$3.5 billion.

This is a testament to the power of free enterprise—I took an idea and turned it into something that created opportunities for my employees, my suppliers, my franchisees, and others throughout the world.

This happened for one simple reason: I made a product that people valued and enjoyed. As I quickly learned, such entrepreneurship rewards not only the entrepreneur, but also customers and countless others, as well. This *mutually beneficial* relationship is at the heart of free enterprise and a free society.

Students at Louisville are now learning about the principles that make such stories—and there are many—attainable. The Center for Free Enterprise teaches that free enterprise empowers people to reach their full potential and achieve great things. It also teaches that everyone,

regardless of his or her station in life, is blessed with gifts and talents that can be used to benefit others. When people are free to apply their skills and pursue their dreams, they are capable of finding tremendous self-fulfillment, self-esteem, and self-respect. Not only that, but by taking risks and challenging the status quo, they also can give others the opportunity to find similar satisfaction.

Students at Louisville will also learn about the obstacles that prevent this from happening. There are many. Thomas Jefferson warned, “the natural progress of things is for liberty to yield, and government to gain ground.” His prediction has been borne out in more ways than I can count.

Whether in my home state of Kentucky or anywhere else in America, free enterprise is increasingly hamstrung by overregulation, corporate welfare, and growing government demands on employers and employees alike. The result is an economy where opportunities are harder and harder to come by.

Simply look at the explosion of occupational licenses. According to a July report from the White House, more than a quarter of American workers now need these government-mandated permission slips for their jobs. Depending on the state, the list includes barbers, tree trimmers, manicurists, and other professions that operate quite well without such bureaucratic micromanagement. The Institute for Justice estimates the average occupational license takes nine months of education or training and more than \$200 in fees. As the Obama White House notes, these burdens reduce employment opportunities and increase the cost of goods and services. This hurts those who are looking for work and those who want to start their own entrepreneurial experiment.

So does the overregulation that now strangles the economy. According to the Competitive Enterprise Institute, federal regulations alone cost nearly \$1.9 trillion in 2014 through “lost economic productivity and higher prices.” This is a crucial component behind the U.S. Census Bureau’s recent report that business deaths outnumber business births, a new phenomenon that calls into question whether the pursuit of happiness is still possible.

At the same time, the constant growth of government gives businesses unprecedented opportunities to pursue corporate welfare—to help themselves without first helping others. Entrepreneurship and innovation too often take a back seat to special interest lobbying for special favors. Recent analyses by the New York Times, the Tax Foundation, and the Cato Institute show that only a few types of corporate welfare, including direct subsidies and tax breaks, nonetheless cost Americans at least \$280 billion a year. This special treatment enriches the well-connected and the wealthy at others’ expense—a fundamentally immoral arrangement. Yet this is unavoidable when government grows and liberty yields.

The Center for Free Enterprise at the University of Louisville will offer its students the chance to study these important issues. It is desperately needed. Our country’s well-being depends on people who understand and defend true free enterprise and practice principled entrepreneurship. America’s college campuses are the natural place to teach this to the next generation of business leaders.